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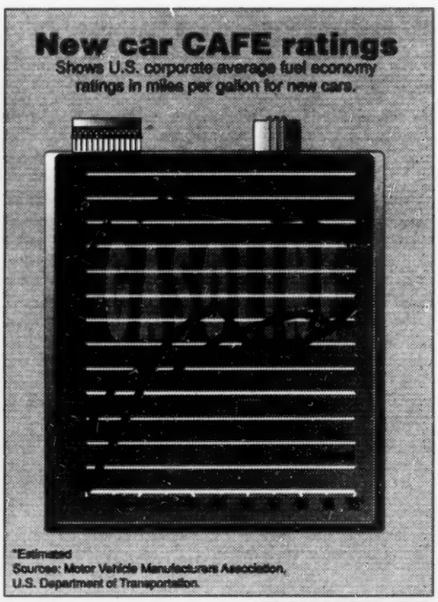
Odds tilt to CAFE bill as Senate faces Gulf crisis

Ralph Nader said that because of Detroit's reluctance to invest in fuel efficient technology, "America has to resort to a military policy."


New car CAFE ratings
Shows U.S. corporate average fuel economy ratings in miles per gallon for new cars.
*Estimated
Sources: Motor Vehicle Manufacturers Association, U.S. Department of Transportation.
AUTOMOTIVE NEWS / DAVID L. BURNHAM

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Persian Gulf crisis has given proponents of a 40-plus mpg standard a rising tide of support.

A bill to raise corporate average fuel economy 40 percent by the year 2001 could come to the Senate floor for a vote as early as next week, when the Senate returns from a month-long recess. The chance of its passing is much higher now than before Iraq invaded Kuwait.

The timing couldn't have been worse for the industry, which believes a higher CAFE will cut into profits by forcing car makers to sell lighter, less powerful, less popular cars.

Ford Motor Co. fears that with the November election approaching, the Senate will seize the bill, sponsored by Sen. Richard Bryan, D-Nev., "as a quick fix on fuel conservation and respond in a panicky way," said Jerry ter Horst, who heads Ford's Washington public affairs office.

Consumer advocates have seized the oil crisis as an opportunity to renew the call for a CAFE as high as 50 mpg by the year 2000. The 1990 model-year requirement is 27.5 mpg.

At a press conference last week, Ralph Nader accused the auto industry of destroying a national energy policy. Because of Detroit's reluctance to invest in fuel efficient technology, "America has to resort to a military policy," Nader said.

The industry sees Nader's view as destructive. "If you want to destroy the domestic auto industry, put in a 40-plus CAFE by the year 2000 and you'll do a great job," said David Cole, director of the Office for Automotive Study at the University of Michigan.

Even if a CAFE bill swiftly passes in the Senate, the House will be an obstacle. Rep. John Dingell, D-Mich., has quashed CAFE bills in the House for six years by never letting them out of the House Energy and Commerce Committee, which he chairs.

But the Iraq crisis could press the House subcommittee where a bill similar to Byran's is stranded to hold public hearings on the bill,

see CAFE, page 35

SENTRA

Core model last to get restyled

Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

When the all-new 1991 Nissan Sentra is introduced next week in Smyrna, Tenn., Nissan will have made its final — and most important — ugly duckling more swan-like. Since 1988, every vehicle has been redesigned, starting with niche models and ending with the volume leader.

No more 2nd fiddle for U.S., Page 34

The new products — particularly the 300ZX, Maxima and 240SX — share styling cues, performance characteristics and advertising themes, and Nissan's standing has risen in each of those niches.

Now, the company hopes for gains in the vast middle market where Sentra and Stanza compete. Sales of the new Stanza introduced last year are up 68 percent this year, totaling 45,964 through July.

Although redesigned, the Stanza borrowed both platform and engine from other Nissan products and has to swim on its own until 1993, when an entirely new model will arrive. Nissan Motor Corp. in U.S.A. hopes to sell 100,000 Stanzas this year and 150,000 to 200,000 annually by 1993.

General Manager Robert J. Thomas expects to sell 160,000 new Sentras the first year.

Although overall car sales for Nissan Division were down 16.88 percent through July, Nissan makes no apologies for a strategy that gave more attention to flashy niche products than to restyling staid high-volume cars.

"If you're trying to change the image of your franchise, you have to start with the image-laden vehicles. They must speak the truth about your mission," says Robert J. Thomas, Nissan Division vice president and gen-

see SENTRA, page 34

Auto ventures fade in E. Germany

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — In one euphoric weekend last March, the East German makers of the Trabant, the Wartburg and IFA trucks signed their lives away in joint-venture agreements with Western car manufacturers.

In little more than 24 hours, General Motors, Volkswagen AG and Mercedes-Benz AG virtually annexed East German manufacturers.

Five months later, the picture has changed.

The slam-bang pace of joint ventures in East Germany has been replaced by a new cautiousness that has already caused major automotive projects to be scrapped.

Analyst Edmund Chew of DRI Europe's Frankfurt office says the move away from manufacturing joint ventures doesn't reflect reduced interest in the region so much as a devaluation of the importance of partnerships with existing firms.

"The biggest problem is the flood away from East German goods in the domestic market," he says. "That has made the outlook for those (East German) firms a lot bleaker."

The change underscores the blitz-like pace of events in East Germany. The basis for decisions made last March has already been overtaken by two huge events:

- The currency union this summer, which hikes the price of East German goods and makes labor more expensive.
- The quick decision to merge the two countries on Oct. 3, which will undercut the advantage of having a "local" manufacturing base. West German plants will be plants in a united Germany.

Moreover, Western firms have been perplexed by hopelessly outdated facilities; a dilapidated in-

see ALLURE, page 35

3-crew setup an issue in GM talks

Lordstown team studied 10-hour, 4-day system in Europe

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

An impending report from the General Motors assembly plant in Lordstown, Ohio, could determine whether GM will be able to persuade union leaders to adopt three-crew production at some GM assembly plants.

Union and GM officials confirmed that a team of union and management representatives from Lordstown and an executive from Detroit returned Aug. 23 from a 13-day trip to Europe to study the system, which generally entails working 10-hour, four-day weeks at straight-time pay.

Now that the UAW has chosen GM as its target company to establish a pattern agreement by the Sept. 14 deadline, establishment of the three-crew

see LABOR, page 4

Canada's auto union will choose target Wed.

By Alex Law
STAFF CORRESPONDENT

TORONTO — The Canadian Auto Workers will choose their Big 3 strike target Wednesday.

CAW president Bob White said the announcement will be made after a meeting of the three bargaining committees. He said the selection of General Motors as the UAW's strike target in the United States does not rule out General Motors of Canada being chosen by the CAW. Contracts with GM, Ford of Canada and Chrysler Canada expire at midnight Sept. 14.

The favorite seems to be Ford, which hasn't been the target since 1976, when there was a four-day strike. Regarding the choice, White said "it gets down to where you think you can make the most progress, maximize pressure and have the shortest strike." The CAW represents 36,500 workers at GM, 12,800 at Ford and 11,300 at Chrysler.

NEWSPAPER

roll out their 1991s

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INTRO 1991

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GM races to catch up on air bags

Customer demand prompts maker to outfit all cars by '95

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' customers have sold something to the automaker this time: air bags.

Acknowledging that the inflatable restraints will be a prerequisite for competition in the mid-1990s, GM confirmed last week that virtually all of its domestically designed passenger cars will have at least driver-side air bags by the fall of 1995.

All of the cars that get driver-side bags eventually get the system on the passenger side too, but not necessarily by 1995.

The announcement by GM President Lloyd Reuss means GM is moving quickly to play catch-up on air bags.

With Chrysler and Ford already committed to air bags in all their passenger vehicles — and with customers' dramatic acceptance of air bags in the 1990 model year — GM couldn't afford to do anything else, said officials with air bag supplier companies who did not want to be identified.

GM had lagged behind its domestic competitors in the percentage of cars with air bags in 1990, the first model year the federal government required either bags or automatic seat belts.

Reuss's announcement said nothing about bags in light trucks. Passive restraints are not mandated in light trucks, but federal officials indicate a mandate is likely in the future.

All of the 1991 GM car platforms that offer driver-side air bags also will get passenger-side air bags by 1994, sources said.

Of the other eight platforms, most will get driver-side air bags first and passenger-side air bags later. Reuss said the company has sold about 450,000 cars equipped with driver-side air bags in the 1990 model year and plans to nearly triple that number in 1991 to 1.3 million. Through July this year, GM has been on a pace to nearly match calendar 1989's sales of 3.44 million cars.

Air bags are standard on 46 of 50 GM models on which they are offered in 1991, and standard on all 12 of the models getting the system for the first time.

The only optional air bags in 1991 are on four models of the Oldsmobile 88.

Twelve of GM's 20 passenger car platforms will offer air bags in 1991. As recently as a year ago, GM was withholding air bag commitments on seven of the remaining eight platforms, thinking that passive seat belts would be good enough.

In the regulations for passive restraints for 1990 cars, the National Highway Traffic Safety Administration stipulated that cars with driver-side air bags are not required to have any passive restraint for front-seat passengers until the 1994.

In some cases after 1994, GM may provide a standard driver-side air bag and a manual passive seat belt on the passenger side for one or two model years until a bag can be engineered into the dashboard.

GM's passive belt system, essentially a standard three-point belt mounted on the door instead of the B-pillar, is much less expensive than competitors' motorized passive belts. It is typically disconnected by customers and used as active belts — one of its major criticisms.

But that means GM could use the passive belts for one or two years without a major upset to the interior design or a major expense.

The best time to introduce air bags is a platform redesign, because air bags require a total change in the instrument panel. But the platforms due for makeovers in the 1992 and 1993 model years were too far along in the design process to incorporate changes in the instrument panel for immediate installation of air bags, said a source at Buick.

"On some of the platforms coming out in the next year or two, the decision to give them air bags was made in the last 12 months," the source said. "There just wasn't time to do it at launch."

STANDARD DRIVER-SIDE AIR BAGS PLANNED FOR GM CARS

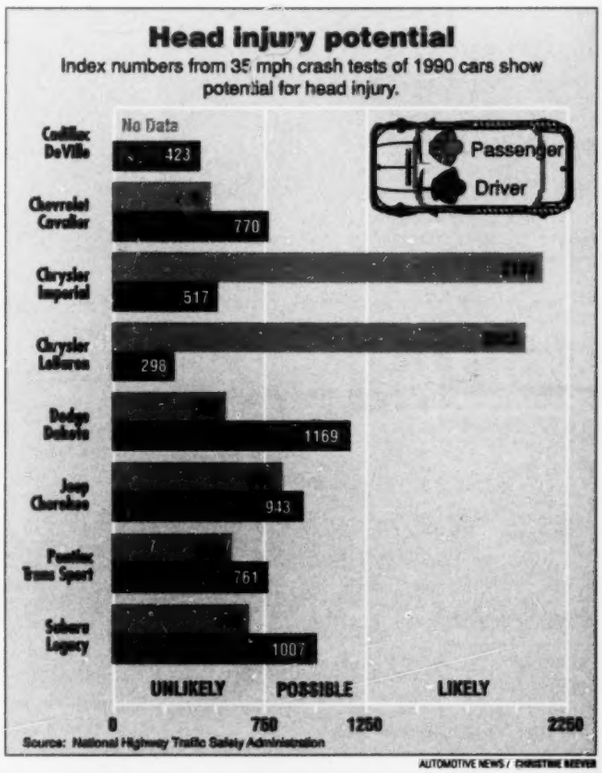
Model year	Platform	Models
1992	H	Oldsmobile 88 Royale,* Pontiac Bonneville, Buick LeSabre
1992½	D	Cadillac Brougham
1993	S	Geo Prizm
	T	Pontiac LeMans
1994	J	Chevrolet Cavalier, Pontiac Sunbird
	W	Chevrolet Lumina, Pontiac Grand Prix (driver and passenger)
1995	N	Pontiac Grand Am, Buick Skylark, Oldsmobile Cutlass Calais
	A	Chevrolet Celebrity wagon, Pontiac 6000, Oldsmobile Cutlass Ciera, Buick Century
	W	Buick Regal, Oldsmobile Cutlass Supreme (driver and passenger)

Saturn cars will have air bags by 1995.
Driver-side air bag is standard in all other models.
*Driver-side air bag available as option since 1990 model.
SOURCE: Automotive News

AUTOMOTIVE NEWS/JOE WILSSENS

Chrysler marks air bag milestone

The 1 millionth Chrysler Corp. car equipped with an air bag, a 1991 Sundance, was built at the carmaker's Sterling Heights, Mich., assembly plant last week. Chrysler marked the occasion with a ceremony which included John B. Damoose, right, Chrysler vice president of marketing; Jan Gardner, who survived a collision in an air bag-equipped Chrysler car; and her husband Ronald.



AUTOMOTIVE NEWS / CHRISTINE BEEVER

Business booms for safety suppliers

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

Safety restraints are a booming industry.

Ford Motor Co. and Chrysler Corp. have already committed to installing air bags in all their cars by 1994, and General Motors now plans to install 1.3 million driver-side air bags in the 1991 model year. The domestic manufacturers have embraced air bags just a year after mass installations began under a federal mandate to have passive restraints in passenger cars.

"Right now, the worldwide occupant-restraints market is about a $3.5 billion industry," said Claude Gianino, a spokesman for TRW Occupant Restraint Systems, a unit of TRW Inc. and supplier of air-bag and seat-belt systems. "By 1995, we expect it to be an $8 billion industry, and much of that increase will be from North America.

"The North American air-bag industry is going to grow over the next five years at a compound annual rate of 45 percent — the fastest-growing area of the worldwide market," Gianino added.

Only three suppliers worldwide can manufacture the pyrotechnic inflators, bag and steering-column module that make up an air-bag system: TRW, Morton International Inc.'s Automotive Safety Products and West Germany's Beyern Chemie. All have been expecting and planning for the growth.

> "We've been increasing capacity because we know all the car companies are going to air bags."
>
> **Claude Gianino**
> TRW spokesman

"We are expanding our assembling facilities and are expanding our gas-generant facilities," said George Kirchoff, Morton vice president for automotive programs. "We have facilitized adequately for the near term, and we have enough capacity for the future."

CIL Corp., the only North American maker of sodium azide, the chemical that generates the gas to fill air bags, also has been gearing up for greater demand.

TRW's Gianino said, "We've been increasing capacity because we know all the car companies are going to air bags. It's not only General Motors, it's everybody — Ford, Chrysler, transplants, anybody who's selling a car in North America."

The National Highway Traffic Safety Administration is expected to expand passive-restraint requirements to light trucks. In anticipation, GM, Ford and Chrysler all have air-bag programs for some passenger versions of light trucks.

With the passive-restraint mandate applied to light trucks, an estimated six million additional vehicles annually would need air bags or automatic seat belts by 1995, Gianino said.

"Most will go with air bags, and that will occur for light trucks between 1994 and 1998," he said.

The rapid expansion in air-bag use also leaves open the possibility for new competitors to TRW and Morton.

Ready to jump in is Takata Inc. Restraint Systems, the North American subsidiary of the powerful and wealthy Japanese company Takata Corp., which commands 55 percent of Japan's market for seat belts and air-bag modules. Takata sells to every Japanese automaker.

Over the past several years, Takata has purchased companies in the United States that give it almost everything it needs to sell air-bag systems in this country. The one thing it lacks is an inflator manufacturing facility, but it plans to build one soon.

"It's a huge market, and there's probably room for everyone — not that we're looking to have other people in there," said a source at an air-bag supplier who did not want to be identified. "I'm sure Takata will get some of the business. They'll go in with a lowball price just to get in."

Officials at Takata, a privately held company that likes its privacy, declined to be interviewed.

LeBaron, Imperial passengers fare poorly in test program

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The passengers of Chrysler's LeBaron convertible and Imperial sedan would likely suffer severe head injuries in a head-on crash of 35 mph, the government said in releasing crash test results. But for drivers, injuries were unlikely.

The LeBaron scored a 2,043 head injury score on the passenger-side and the Imperial rated 2,132 for the passenger. The scores are the highest of the 24 1990 passenger cars tested by the National Highway Traffic Safety Administration.

But scores for the driver side, protected by air bags, were among the lowest at 298 for the LeBaron and 517 for the Imperial.

Also tested in the same class was the Cadillac DeVille four-door, with a driver-side score of 423. There was no data for passenger-side results.

Five other cars were tested in this latest round. NHTSA said that head injury numbers below 750 indicate that head injury is unlikely. Head injury is possible between 750 and 1,250. Above 1,250, head injury is likely.

Correction

Last week's story on the markup of Mercury Capri prices stated that Star Lincoln-Mercury in Glendale, Calif., had changed owners. Actually, Ed Jussen still owns Star Lincoln-Mercury but has changed his sales management team.

Buick to price Roadmaster below Park Avenue Ultra

By Phil Frame
AUTOMOTIVE NEWS STAFF REPORTER

NOVI, Mich. — The 1992 Buick Roadmaster will be the largest of the company's sedans but will be priced below the Park Avenue Ultra.

Buick has not settled on the price of the Roadmaster sedan, but it will be positioned under the smaller, front-wheel-drive Ultra, said General Manager Edward Mertz.

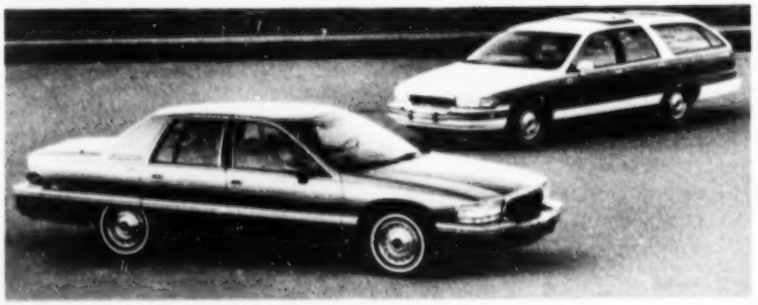
200-hp Park Ave. planned, Page 4

When pressed about the target price for the 215.8-inch long Roadmaster sedan, Mertz said, "It will be very reasonably priced."

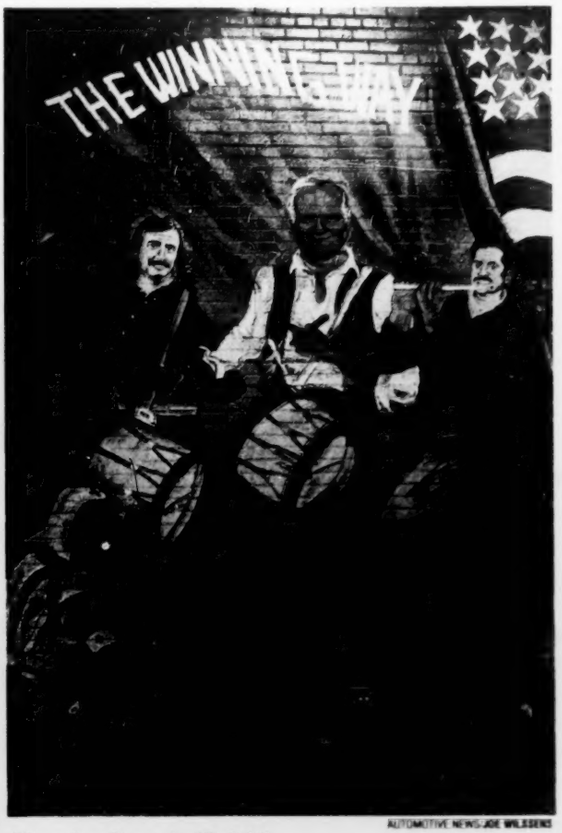
A source with information about Buick's pricing said the Roadmaster sedan will fill the gap between the Ultra, which carries a base price of $27,420, and the $18,430 LeSabre Limited.

The source, who did not want to be identified, said a price of $22,-

see BUICK, page 4



Roadmaster family members are 1992 sedan, left, and 1991 Estate wagon.



AUTOMOTIVE NEWS/JOE WILKINS

Chrysler Corp.'s 'Spirit'

The image of Chrysler Corp. Chairman Lee Iacocca gets a new twist in a painted mural at the end of the assembly line at the company's Sterling Heights, Mich., plant. The mural, which measures 20 feet by 20 feet, depicts Iacocca, plant manager Dur Roller, left, and plant product manager Buck Hendrickson, right, as Revolutionary War patriots. Beneath their feet lie the badges of Audi, Mazda and Honda. The mural, based on the 19th century "Spirit of '76" oil on canvas by Emanuel Leutze, was painted in 1986 by Margarita Garza, a plant employee. It was updated six months ago by plant employee Mike Robinson after Roller and Hendrickson assumed their jobs.

Ford zeros in on Accord sales lead

Taurus uses bargain option packet to counter higher base price

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division will offer a new value package on its base Taurus sedan in the 1991 model year that will give it more artillery to compete with the Honda Accord in the battle for U.S. car-sales leadership.

Accord and Taurus ranked first and second in car sales last year and held the same spots for the first seven months of 1990. Accord led Taurus by 55,089 sales through July.

The base Taurus L sedan had a $394 sticker price advantage over the automatic-transmission Accord DX in the 1990 model year. But Ford gave away that edge with a hefty $1,016 price increase on the Taurus L for the 1991 model year. Ford officials say the price increase is explained by the addition of a new partially electronic transmission on the 1991 Taurus.

The 1991 Accord DX sedan with automatic went up only $200 and holds a $422 price advantage over the 1991 Taurus L. Automatic transmission is standard on all 1990 and 1991 Taurus models.

Taurus' new value package, L Plus, includes air conditioning, rear window defroster, power lock group and paint stripes. The retail prices of the items in the package total $1,264, but the group has a $300 discount, bringing it to $964.

The retail price of a Taurus L sedan with the L Plus package and an optional 3.0-liter V-6 engine ($521) would be $15,202.

The actual dealer cost, including dealer holdback, for the Taurus L with the L Plus package and the V-6 is $13,121.

Ford said that dealers could advertise the Taurus L Plus sedan at $13,999. The price does not include the destination charge of $480.

At the end of the 1990 model year, the Taurus L is at $12,701, and the Honda Accord DX with automatic transmission is $13,095, not including the $260 destination charge.

Ford Division also is offering cut-rate option packages on the 1991 Taurus GL and LX sedans in its battle with Honda. On those models, Taurus already has a price advantage over the Accord.

TAURUS VS. ACCORD

	1991 Prices	Final 1990 prices
Taurus L 4	$13,717	$12,701
Taurus L Plus V-6	13,999*	—
Accord DX 4	13,295	13,095
Taurus GL 4	14,190	13,174
Taurus GL V-6 (with pkg.)	15,199*	—
Accord LX 4	15,845	15,645
Taurus LX V-6	17,057	16,241
Taurus LX V-6 (with pkg.)	17,852	—
Accord EX 4	17,545	17,345

*Ford Division suggested "advertisable price," which is lower than the manufacturer's suggested retail price.
Accord prices include automatic transmission

Germans don't want Trabant any more

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Sales of East Germany's Trabant have been halted in its home market — where buyers once waited up to 17 years for delivery — because no East German will buy the 35-year-old, plastic-bodied relic.

Open borders have caused the market for the car to collapse. And while the Trabant is no longer for sale in East Germany, production continues — but only to fill previous contracts from other Eastern European countries.

"Sales are down to zero," said a Volkswagen AG official assigned to VW's joint marketing venture company with IFA Kombinat Personenkraftwagen, a unit formed to market Trabants and VW, Audi and Seat vehicles.

Instead of buying locally produced Trabants and Wartburgs, East German citizens this year have turned to used cars from the West, buying about 100,000 in the first seven months of 1990, according to estimates.

Earlier this year, the manufacturer suddenly made available 3,-000 Trabants that had not been

see TRABANT, page 14

Trabants are being shunned by East Germans, who prefer buying used cars from West Germany.

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Whitehead ends 24-year reign as head of Jaguar in U.S.

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Michael H. Dale will succeed Graham W. Whitehead as president of Jaguar Cars Inc. next month when Whitehead retires after 24 years as Jaguar's top U.S. official.

Dale, 55, has been responsible for sales and marketing since 1973. He has been senior vice president of the U.S. firm since 1985.

Whitehead announced last week that he will retire Oct. 1. He will be 62 on Sept. 13. He has spent 45 years in the British auto industry.

Gene Fisher, chairman of Jaguar's dealer council and owner of Overseas Motors Corp. in Dallas and Fort Worth, said dealers will miss Whitehead, but they welcome Dale as his successor.

Whitehead

Dale

"Graham was a stabilizing influence through BMC (British Motor Corp.), British Leyland or whomever else we did business with," Fisher said. "He was always there, always helpful, and he had a lot of talent."

Under Whitehead's leadership, Jaguar Cars Inc. and its predecessor companies in America have sold almost one million British cars, including marques like MG and Triumph, worth more than $10 billion. He was appointed a Commander of the Order of the British Empire in 1977.

Now, like other European imports, Jaguar is trying to reverse a sales slide that began in 1987. U.S. sales dropped from 24,464 in 1986 to 18,967 last year. Sales through July this year were 10,860, just 23 units ahead of last year.

Whitehead's career has followed Jaguar through a succession of owners, including the British government.

Ford Motor Co. bought Jaguar last February for about $2.56 billion. The Ford takeover should help ease Whitehead's retirement, since his stock and options brought him a profit that could have been more than $1 million.

"He deserves it," dealer Fisher said.

Whitehead began his auto career with Wolseley Motors Ltd. in 1945, moved to British Motor Corp. Ltd. in 1955 and became senior sales executive for BMC (USA) Ltd. in New York in 1959.

He continued in executive posts in this country as the import firm became British Motor Corp./Hambro Inc., British Motor Holdings (USA) Inc. and British Leyland Motors Inc. The U.S. company was renamed Jaguar Cars Inc. in March 1983.

New Ford Escort to test tough European segment

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GSTAAD, Switzerland — Ford Motor Co. has rolled out an important new entry in Europe's largest segment with the launch of the European Escort/Orion subcompact that goes on sale in October.

Ford of Europe invested $1.5 billion in the new line, its highest ever for a product program. Escort/Orion will compete in the lower-medium segment, which accounted for 32 percent of European sales last year — about four million cars.

Ford has capacity for 650,000 of the cars at its plants in Saarlouis, West Germany; Halewood, England; and Valencia, Spain.

Escort/Orion sales totaled about 600,000 last year; the nine-year-old model's best performance was 630,000 units in 1987.

The segment is heavily contested, but Ford's new entry will have the spotlight to itself for a while.

Volkswagen's Golf/Jetta and General Motors' Opel Kadett/Vauxhall Astra were the two best-selling models in Europe last year; new versions of those cars will be displayed at the 1991 Frankfurt show.

Peugeot S.A. plans to enter the segment, hoping to rise from third place to first in European sales. The Citroen FX, once slated for the Paris show in October, is now planned for a Geneva debut next March.

Instead of dribbling out versions of its Escort over several years, Ford of Europe will bring out most of them, including this notchback, in October.

Ford will bring out most versions of its new car at introduction time, including a hatchback, notchback and station wagon. That is a departure from Ford's past practice in Europe of dribbling out versions over several years.

Versions of the new model available immediately include:

- Three-and five-door hatchbacks
- A five-door station wagon
- The four-door Orion sedan
- A convertible co-designed with Karmann in Germany
- A light commercial van.

Werner Kalkert, management board member for product development at Ford of Germany, said a sporty Escort XR31 2000 will be introduced in the first half of 1991 and a 220-horsepower Escort Cosworth Turbo a year later.

The range was designed and developed in Europe and differs from the new U.S. Escort that was co-developed with Mazda. The five-year European project involved 2,500 designers from Ford research and development facilities in Dunton, England, and Merkenich, Germany.

Styling is not radically different from the Escort it replaces, and reaction from the enthusiast press has been mixed.

Ford of Europe has offered advanced aerodynamic designs, starting with the Sierra in 1982, but the company has clearly decided on a more conservative path in the 1990s.

If recent history is a guide, conservative could pay off. The new Fiesta took some knocks from the enthusiast press when it was introduced 18 months ago, but the car set a European record for first-year sales with 540,000.

Helmuth Schrader, chief designer at Ford of Germany, said Ford chose an evolutionary Escort/Orion design over revolutionary treatments because of the past success of the line and clinic research.

Schrader said stylists sought and got greater individuality for the Orion notchback.

Horst Winkler, a Ford of Germany marketing executive, predicted that in Germany, the notchback could rise to 15 percent of the Escort/Orion mix, up from 9 percent last year.

The new Escort has a longer wheelbase and more interior space, but overall length is only slightly greater than its predecessor's. Wheelbase is 99.5 inches, an increase of almost five inches, but length has been increased only 2.8 inches to 159.

Low-priced models are powered by Ford's lean-burning HCS engine that was introduced in 1988. Also offered is Ford's CVH engine range, four million of which have been produced in Europe. A version of Ford's 1.8-liter OHC naturally aspirated diesel engine also is available.

Among numerous features offered for the first time on the European Escort/Orion are electronic anti-lock brakes from Teves, power steering, air conditioning, a new torsion-beam rear suspension, rear disc brakes, near-flush side glass, flush-bonded windshield and rear window.

A 16-valve engine and a turbodiesel, both new to the range, will be available next year.

Ford's Continuously Variable Transaxle stepless automatic transmission is an option with the 1.4- and 1.6-liter CVH engines.

Prices in Germany range from 19,080 marks ($12,300) for the 1.4-liter three-door Escort CL to 34,450 marks ($22,225) for the convertible.

Fiat to idle 35,000

Sales fall in Italy ends decade of go-go

By Luca Ciferri
STAFF CORRESPONDENT

TURIN, Italy — Fiat Auto will idle 35,000 of its 116,000 line workers at various plants in the next four months.

The decision, announced in Rome on Aug. 28 to unions, will represent a production decrease of around 75,000 units, 3.7 percent of 1989 total production.

The move follows decreasing sales in Italy that have caused Fiat Auto's European passenger car inventory to rise from about 185,000 to more than 225,000 units.

Since late 1980, when Fiat Auto started its recovery from near bankruptcy, no plants have been shut except for retooling or rebuilding.

Italian sales for Fiat Auto were down 5.7 percent in June and about 5 percent for July and August, mainly due to Fiat and Alfa Romeo brands.

In the first half of the year, Fiat was down 5.88 percent and Alfa Romeo 6.82 percent. Lancia, thanks to the success of Dedra, was 4.41 up in the same period.

The shutdowns are spread over several months and many plants.

Alfa's Arese plant, with 7,000 workers, will close one week each month through December, cutting production by 10,000 to 12,000 units.

Fiat's Mirafiori and Rivalta plants will close for 3 weeks, and Fiat's Termini Imerese and Lancia's Desio plants will stop for one week; in total, 19,000 workers are involved, and production wil be cut by 65,000 units. Another 9,000 workers in component and subassembly plants will have temporary layoffs.

Four other plants will not close.

Volvo suffers too; 5,000 jobs cut

FRANKFURT, West Germany — AB Volvo last week announced a 54 percent plunge in pre-tax profits for the first half of 1990 and said it will cut 5,000 jobs by the end of 1991. In addition, Volvo GM Heavy Truck Corp. is planning layoffs at its New River Valley plant in Dublin, Va.

Volvo said pre-tax profits dropped to 2.06 billion Swedish kronor ($360 million) from 4.48 billion ($782 million) in the first half of 1989. The company blamed reduced demand in its three biggest markets: the United States, Great Britain and Sweden.

Swedish car plants, which employ about 23,000, will absorb about 80 percent of the planned manpower cuts.

The New River Valley plant will lay off 350 workers out of a total workforce of 1,500 as production is pared back from 60 trucks daily to 42 beginning in mid-October. Volvo said U.S. heavy truck sales fell 28 percent to 7,200 units in the first half.

Volvo said worldwide new-car deliveries declined 3.9 percent to 198,000 units in the first half; U.S. car sales fell 8.5 percent to 56,939 through July.

Volvo profits also have been undercut by heavy investment in new car models, including the just-introduced 960/940 line and the replacement for the 200 series expected next year. Declining productivity in its Swedish workforce also was cited as a factor.

— Richard Johnson

Honda slips past Chrysler in Canada sales

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Honda's combined sales of North American-built and imported cars in Canada topped Chrysler Corp.'s total in July, putting Honda in third place and dropping Chrysler to fourth for the first time.

Honda sold 3,043 North American-built cars and 5,400 imports in July for a total of 8,443.

Chrysler sold 7,043 North American cars and 936 imports for a total of 7,979.

Overall, sales of North American-built cars increased in July; sales of imports dipped slightly.

General Motors did the best among the Big 3 in North American car sales, up 7.79 percent. Ford Motor Co. slipped 12.40 percent, and Chrysler dropped 4.01 percent, compared with July 1989.

The year-to-year increase for North American-built cars — including Honda, Hyundai, Mazda and Volvo was 4.22 percent, but seven-month sales were down 10.69 percent.

No breakout was available for Toyota and Suzuki on sales of North American-built and imported vehicles.

In commenting on July sales, Bill Atkinson, vice president of marketing for GM of Canada, said, "In the midst of an overall soft market, we experienced sales increases throughout our product lineup."

He said the Chevrolet Cavalier is now the best-selling car in Canada.

Import sales were down 301 cars in July, from 26,743 to 26,442. Only six of the 18 importers reporting showed increases:

- Volkswagen was up 29.13 percent
- GM increased by 28.36 percent
- Mazda sales were up 27.73 percent
- BMW sales increased 24.03 percent
- Suzuki sales were up 21.20 percent
- Honda sales increased by 2.74 percent.

Total car sales were up 2.25 percent for July but were down 7.81 percent for the first seven months of this year.

Sales of North American-built trucks held steady for the month at 28,882 compared with 28,879 in July 1989. Imports gained 7 percent. Total truck sales for the month were up 412 units, or 1.19 percent.

Total car and truck sales in July were up 1.90 percent over July 1989, but down 8.31 percent for the first seven months of this year.

CANADIAN CAR AND TRUCK SALES

North American cars	July 1990	July 1989	7 mos., 1990	7 mos., 1989
General Motors	23,944	22,214	177,858	198,680
Ford	12,104	13,818	94,834	116,332
Chrysler	7,043	7,337	67,575	77,660
Honda	3,043	1,767	21,029	15,552
Hyundai	534	0	1,044	0
Mazda	657	159	2,592	159
Volvo	223	327	1,896	2,337
North American car total	**47,548**	**45,622**	**366,828**	**410,720**
Import cars				
Honda	5,400	5,256	39,588	33,639
Toyota	5,137	5,675	46,515	46,753
General Motors	3,304	2,574	17,012	18,131
Volkswagen	3,090	2,393	21,053	16,200
Mazda	2,312	1,810	17,614	16,817
Nissan	1,818	2,102	15,089	16,856
Hyundai	1,162	2,471	9,695	16,206
Suzuki	1,006	830	5,390	4,727
Chrysler	936	1,109	9,430	13,767
Subaru	608	676	4,354	3,466
Ford	577	632	3,789	5,523
Mercedes-Benz	368	385	2,580	2,560
BMW	351	283	2,268	2,618
Volvo	166	270	1,430	1,778
Jaguar	73	102	705	1,000
Saab	73	84	530	765
Lada	48	61	398	440
Peugeot	13	30	72	167
Import car total	**26,442**	**26,743**	**197,512**	**201,413**
TOTAL — ALL CARS	**73,990**	**72,365**	**564,340**	**612,133**
North American trucks (including vans)				
GM	11,836	10,839	89,211	97,863
Ford	9,672	10,038	78,234	87,339
Chrysler	7,374	8,002	47,530	65,129
North American truck total	**28,882**	**28,879**	**214,975**	**250,331**
Import trucks (including vans)				
Mazda	1,790	1,129	11,440	10,475
Toyota	1,327	1,431	10,559	9,637
Nissan	1,082	1,038	8,770	7,961
Suzuki	938	805	5,086	4,759
GM	896	1,113	6,939	6,005
Volkswagen	122	100	647	454
Chrysler	72	177	1,120	1,631
Lada	16	49	106	160
Land Rover	8	0	10	0
Import truck total	**6,251**	**5,842**	**44,677**	**41,082**
TOTAL — ALL TRUCKS	**35,133**	**34,721**	**269,652**	**297,413**
TOTAL — CARS, TRUCKS	**109,123**	**107,086**	**833,992**	**909,546**

Peterbilt's new sleeper boxes

Peterbilt Motors of Newark, Calif., has two new 48-inch sleeper boxes, a high-roof and a standard-sized version, for its long-haul conventional models. Their 48-inch length provides floor space for dressing, and each has full-length closets. The high-roof version provides stand-up room for drivers of average height.

JUNE TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1990	TOTAL 1989
FORD	MO	125,274	2,779	0	789	2,839	1,475	133,156	127,641
	YR	836,216	17,254	0	3,314	16,615	8,384	881,783	760,806
FREIGHTLINER	MO	0	0	0	0	0	2,050	2,050	2,147
	YR	0	0	0	0	0	13,828	13,828	12,385
CHEVROLET	MO	117,365	0	35	784	793	0	118,977	112,782
	YR	776,194	0	185	4,287	4,297	0	784,963	663,898
GMC	MO	32,516	0	113	672	1,449	0	34,750	30,012
	YR	201,506	0	1,743	3,260	8,568	0	215,077	190,537
KENWORTH	MO	0	0	0	0	35	1,201	1,236	1,445
	YR	0	0	0	0	238	8,733	8,971	9,092
MACK	MO	0	0	0	82	109	1,418	1,609	2,413
	YR	0	0	0	752	1,003	9,361	11,116	12,861
MERCEDES-BENZ	MO	0	0	0	28	140	0	168	172
	YR	0	0	0	325	696	0	1,021	1,078
NAVISTAR	MO	0	16	12	873	2,882	2,584	6,367	7,313
	YR	0	43	75	7,983	17,630	16,655	42,386	40,532
PETERBILT	MO	0	0	0	0	15	1,034	1,049	1,369
	YR	0	0	0	0	264	7,214	7,478	8,403
VOLVO/GM HEAVY	MO	0	0	0	0	61	944	1,005	1,649
	YR	0	0	0	0	448	8,208	8,656	8,848
HINO	MO	21	0	40	49	47	0	157	217
	YR	201	0	280	366	582	0	1,429	1,162
NISSAN DIESEL	MO	60	0	59	51	30	0	200	171
	YR	428	0	543	307	306	0	1,584	1,159
ISUZU TRUCK	MO	475	57	33	75	46	0	686	512
	YR	3,608	426	238	1,300	356	0	5,928	4,288
MITSUBISHI FUSO	MO	146	0	32	30	35	0	243	289
	YR	1,135	0	400	165	336	0	2,036	1,730
SCANIA	MO	0	0	0	0	0	6	6	24
	YR	0	0	0	0	0	68	68	58
IVECO TRUCKS	MO	186	65	34	20	0	0	305	259
	YR	903	295	149	95	0	0	1,442	1,134
WESTERN STAR	MO	0	0	0	0	0	99	99	161
	YR	0	0	0	0	0	611	611	827
OTHER TRUCKS	MO	142,332	0	0	0	0	68	142,400	144,686
	YR	1,013,942	0	0	34	1	479	1,014,456	832,337
GRAND TOTAL, 1990	MO	418,375	2,917	358	3,453	8,481	10,879	444,463	433,262
	YR	2,834,133	18,018	3,613	22,188	51,340	73,541	3,002,833	2,551,135
1989 YR to DATE		2,521,576	10,085	4,240	29,672	51,728	71,739	2,551,135	

NOTE: Class 1-3 total includes light trucks sold by all makes other than those listed. Class 4-8 reported by Motor Vehicle Manufacturers Association.

Navistar International hikes engine torque, horsepower for '91

CHICAGO — Navistar International Corp. is offering higher horsepower and torque ratings in its 1991 engine lineup.

The new engine offerings are designed to improve driveability and to provide more power for better operating efficiency, said John Toole, manager of product planning for Navistar Engine and Foundry Division.

Navistar produces a broad line of truck engines in the 150 to 275 hp range. They include the DT/DTA 466, DT/DTA 360 and 7.3-liter V-8 engine series.

The DT 466 and DTA 466 are in-line six-cylinder, open-chamber, direct fuel injection, 7.6-liter displacement engines. They feature a premium wet-sleeve design.

The engines are available in International 2000, 3000, 4000, 5000 and 7000 series medium- and heavy-duty trucks.

For 1991, the DT 466 is available for the first time with 195 hp at 2,400 rpm and 520 pounds-feet of peak torque at 1,600 rpm.

A second version of the DT 466 continues to be available with 210 hp at 2,400 rpm and 570 pounds-feet of peak torque at 1,600 rpm.

The turbocharged and air-to-air intercooled DTA 466 is available with 270 hp at 2,400 rpm, with a higher peak torque of 795 pounds-feet at 1,600 rpm.

Another version of the DTA 466 is rated at 250 hp at 2,400 rpm with 700 pounds-feet at 1,600 rpm.

There are two versions of the DTA 466 available at 220 hp at 2,400 rpm: one rated at 600 pounds-feet peak torque at 1,600 rpm, and a second at 650 pounds-feet of peak torque at 1,600 rpm.

> The new engine offerings are designed to improve driveability and to provide more power for better operating efficiency.
>
> **John Toole**
> Navistar

The turbocharged DT 360 and turbocharged and air-to-air intercooled DTA 360 diesel engines continue to be available for the International 4700 series medium-duty trucks and 3800 series school bus chassis.

Like the DT 466/DTA 466, both the DT 360 and DTA 360 feature a premium wet-sleeve design.

The DT 360 continues to be available with 170 hp at 2,700 rpm and 400 pounds-feet of peak torque at 1,700 rpm.

Two DTA 360 versions are available with 185 hp at 270 rpm: one with 445 pounds-feet peak torque at 1,700 rpm; the other with 485 pounds-feet peak torque at 1,700 rpm. Both are in-line, six-cylinder, open-chamber, direct fuel injection engines with 5.9-liter displacements.

The 7.3-liter diesel is a compact, lightweight, naturally aspirated V-8, available for International 4600 medium-duty trucks and 3700 school bus chassis.

All 1991 International engines are in full compliance with 50-state emissions standards.

TRUCK BRIEFS

ADP buys Ultimate Roads

CHICAGO — ADP Dealer Services, a division of Automatic Data Processing Inc., has purchased the assets of Ultimate Roads from Ultimate Corp.

Dallas-based Ultimate Roads provides computer hardware and software services to almost 400 heavy-duty truck and trailer dealerships in the United States.

ADP Dealer Services supplies computer systems to more than half of the heavy-duty truck market in the United States.

ADP said it would retain the Ultimate Roads management team and staff. All current Ultimate Roads clients will continue to be serviced by the group in Dallas.

Distributor profits dip

LIVONIA, Mich. — Net profit before taxes for the typical truck equipment distributorship dropped to 1.6 percent in 1989, down from 1.7 percent the previous year, according to a survey by the National Truck Equipment Association.

Even the high profit distributorships — the top 25 percent that scored higher marks in all critical areas of measurement — saw profit margins drop to 5.0 percent, compared with 5.1 percent in 1988, according to the association's 1990 Distributor Profit Survey Report.

Sales growth for the 149 firms responding to the survey dropped dramatically to 4.20 percent in 1989, down from 11.50 percent the previous year. The companies' sales had grown 9.00 percent during 1988 and 8.40 percent in 1987.

New used-truck program

KIRKLAND, Wash. — Kenworth Truck Co. has introduced its Elite used-truck program at participating dealerships. Dealerships involved in the program test and recondition used trucks.

Kenworth developed the program because used vehicles account for 45 percent of all heavy-duty trucks purchased in the United States, said Jon Wyman, Kenworth's national used-truck manager.

Used trucks involved in the Elite program have mechanical and structural checks performed with necessary components replaced if required.

Kenworth also provides an Elite Buyer Protection Plan under which it will back selected used Kenworth and Peterbilt models with a one-year, 100,000-mile, limited protection plan. The plan covers major components, cabs, sleepers and frames.

INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date
Chrysler Corp. (1989-90 models)						
Chrysler	$750-$2,000	2.9	7.9	7.9	10.9	Sept. 30*
Dodge cars	$750-$1,500	2.9	7.9	7.9	10.9	Sept. 30*
Dodge trucks	$750-$2,500	2.9	7.9	7.9	10.9	Sept. 30*
Eagle	$750-$2,000	2.9	7.9	7.9	10.9	Sept. 30*
Jeep	$500-$1,500	2.9	7.9	7.9	10.9	Sept. 30*
Plymouth	$750-$1,500	2.9	7.9	7.9	10.9	Sept. 30*

*Incentive financing of zero percent for 24 months, 4.8 percent for 48 months and 7.9 percent for 60 months applies to Chrysler LeBaron coupe, Imperial, New Yorker, New Yorker Salon, New Yorker Landau and New Yorker Fifth Avenue; Dodge Daytona and Dynasty, and Jeep Cherokee and Wagoneer Ltd. Rates of zero or 2.9 percent for 24 months (depending on model), 7.9 percent for 48 months and 10.9 percent for 60 months are available on all other models.

Ford Motor Co. (1990 models)						
Ford cars*	$700-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Ford trucks	$600-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Mercury*	$1,000	7.9	7.9	7.9	10.9	Sept. 26
Continental, Mark VII	$1,500-$2,000					Sept. 26

Ford Motor Co. (1991 models)						
Crown Victoria	$750	7.9	7.9	7.9	10.9	Sept. 26
Grand Marquis	$1,000	7.9	7.9	7.9	10.9	Sept. 26

*Finance incentive is 4.8 percent for 48 months on Ford Taurus and Thunderbird and Mercury Sable and Cougar.

General Motors (1990 models)						
Buick*	$500-$1,250	7.9	7.9	7.9	10.9	Sept. 26
Riviera	$2,000	7.9	7.9	7.9	10.9	Sept. 26
Reatta	$3,000	7.9	7.9	7.9	10.9	Sept. 26
Geo cars	$500-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet cars	$500-$1,400	7.9	7.9	7.9	10.9	Sept. 26
Geo Tracker	$1,000	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet trucks	$600-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Lumina APV	$1,250	7.9	7.9	7.9	10.9	Sept. 26
Cadillac	$1,500-$2,000					Sept. 26
Oldsmobile*	$1,500-$2,500	7.9	7.9	7.9	10.9	Sept. 26
Silhouette	$1,250	7.9	7.9	7.9	10.9	Sept. 26
Pontiac	$750-$2,000**	7.9	7.9	7.9	10.9	Sept. 26
Trans Sport	$1,500**					

*Rebates on 1989 Oldsmobiles are $500 more than on 1990 models. Finance rate is 4.8 percent for 48 months on 1989-90 Cutlass Supreme and Cutlass Ciera and 1990 Buick Century and Regal.
**Dealers contribute $1,000 on Grand Prix, $500 on Trans Sport.

General Motors (1991 models)						
Buick*	$250-$1,250	3.9	5.9	7.9	10.9	Sept. 26
Chevrolet, Geo cars	$500-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Lumina APV	$500	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet trucks	$500-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Geo Tracker	$500-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Oldsmobile	$500-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Silhouette	$500	7.9	7.9	7.9	10.9	Sept. 26
Pontiac	$500-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Trans Sport	$500					

*Buick rebates based on option package selected. Finance rates on Regal sedan are 4.8/4.8/4.8/10.9. No rebates or special financing on Reatta and Park Avenue.

Hyundai (1989-90)	$500-$750	1.0	4.9	4.9	10.9	Sept. 4

Mazda (1990 models)		
323 SE	$750	Oct. 2
MX-6, 626	$500-$1,000	Sept. 5
Trucks	$750	Sept. 5
MPV	$500-$700 discount on option packages	Sept. 5
Nissan (1990 models)		
Sentra	$1,000-$1,200	Oct. 2
Trucks	$1,000	Oct. 2
Subaru		
Justy (1989-90)	$500-$1,000	Oct. 2
Loyale (1990)	$800-$1,200	Oct. 2
Suzuki (1990 models)*		
Swift	$400-$1,500	Oct. 2
Samurai	$1,000	Oct. 2
Sidekick	$1,000-$2,500**	Oct. 2
Suzuki (1991 models)*		
Sidekick	$500-$600	Oct. 2

*Customer rebate or dealer rebate; dealer's choice
**$3,000 in California
Note: Some makers offer rebates to buyers of 1988 and 1989 models. Most of those programs are omitted from this table because of the limited number of those vehicles still in dealers' hands.

Nissan and Adesco settle service contract dispute

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Nissan Motor Corp. in U.S.A. has reached an out-of-court settlement with its former in-house extended service contract administrator, Adesco Inc., ending a messy legal feud that included allegations of fraud and bribery. Terms of the settlement were not disclosed.

The imbroglio began in 1988 when Adesco of Tulsa, Okla., threatened to terminate several Nissan dealers in Florida it claimed submitted fraudulent repair claims for payment.

Nissan sued Adesco in California for breach of contract and not administering claims properly. Nissan obtained an injunction in U.S. District Court for the Central District of California that stopped Adesco from terminating dealers.

Adesco then sued the dealers in Florida for allegedly submitting false claims. Adesco also countersued Nissan, claiming there was a nationwide conspiracy by Nissan dealers to file inflated claims.

Nissan answered with an amended complaint, asking to take over the dealers' existing extended service contracts for administration. Nissan claimed Adesco failed to administer the claims properly.

In April 1989, Nissan brought fraud charges, alleging that Adesco bribed a former Nissan employee to obtain the contract to administer its extended service contracts.

A lawsuit against that employee, Fred Gramcko, by Nissan is pending in the San Diego County Superior Court. The automaker claims Gramcko violated his duties of loyalty to the company and accepted bribes. He has filed a wrongful discharge suit against Nissan.

In July, U.S. District Court Judge William Rey ordered a trial on Nissan's charges that Adesco obtained the contract fraudulently.

But two days into the trial, the companies reached a settlement. Part of the settlement is that Adesco's lawsuit against the Florida dealers will be dropped.

Nissan is selling and administering its own extended service contracts and those sold by Adesco.

There is an exception — extended service contracts sold before October 1988 are being administered by American Warranty, based in Lincolnwood, Ill.

Ironically, American is on the verge of collapse. But an attorney for Nissan said claims are being paid because they are backed by Nissan.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler Corp. (1989-90 models)		
Monaco (1990 model)	$2,500	Sept. 30
Premier (1989-90 base models)	$2,500	Sept. 30
Cherokee Ltd., Wagoneer Ltd., Grand Wagoneer (1989-90 models)	$500-$4,000	Sept. 30
Ford Motor Co. (1990 models)		
Taurus SHO	$2,000	Sept. 26
Topaz, Sable, Cougar	$300-$1,500, quota (only in New York, New Jersey, New England)	Sept. 26
Crown Victoria	$300	Sept. 26
Town Car	$1,500-$2,500 based on number sold	Sept. 26
Continental Mark VII	$1,000-$2,000 based on number sold	Sept. 26
Audi (1990 models)		
100 Series	$1,500	Sept. 10
Hyundai (1989-90 models)		
Excel	$500-$750	Sept. 4
Sonata	$350	Sept. 4
Isuzu (1990 models)		
Pickup, Trooper	$700-$1,200, based on number sold	Sept. 30
Mazda (1990 models)		
929, RX-7	$500-$2,500, based on number sold	Sept. 5
Nissan		
Stanza (1990 models)	$100-$1,000, based on number sold	Oct. 2
Trucks (1990-91 models)	$100-$200, based on number sold	Nov. 2
Peugeot (1989 models)		
405	$2,500-$3,500	None
Subaru (1990 models)		
Legacy	$1,500-$2,500	Oct. 2
Suzuki (1990 models)*		
Swift	$400-$1,500	Oct. 2
Samurai	$1,000	Oct. 2
Sidekick	$1,000-$2,500**	Oct. 2
Suzuki (1991 models)*		
Sidekick	$500-$600	Oct. 2
Toyota (1989-1990 models)		
Tercel, Camry, Corolla	$200-$1,200, quota	Sept. 4
Trucks	$300-$1,400, quota	Sept. 4
Volkswagen (1990 models)		
Golf	$500	Dec. 31
Volvo (1989-90 models)	$200-$600, based on number sold	Sept. 30

*Customer rebate or dealer rebate; dealer's choice
**$3,000 in California
Note: Some makers offer rebates to dealers on sales of 1988 and 1989 models. Most of those programs are omitted from this table because of the limited number of those vehicles still in dealers' hands.

Toyota income up 27.4% for fiscal 1990

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Toyota Motor Corp. reported a 27.4 percent increase in consolidated net income to 441.3 billion yen ($2.8 billion) for the fiscal year ended June 30.

Net sales for the period were up 14.6 percent to 9.19 trillion yen ($60 billion), and operating income rose 37.4 percent to 642.9 billion yen ($4.2 billion).

Toyota attributed the increase to growth in sales worldwide, but particularly in Japan. The home market is the company's largest, and sales were supported by six full model changes and five all-new model introductions.

Toyota said it expects brisk sales to continue in Japan market, but anticipates more difficult conditions in the United States and Europe. Even so, the company forecasts a 4 percent growth in domestic sales this fiscal year, to 2.5 million units, and a 7.6 percent growth in exports, to 1.7 million.

Although Vice President Masami Iwasaki acknowledged the possibility that the Persian Gulf crisis might affect oil prices and interest rates, he said it is still too soon to determine exact effects. So far, he said, there is no apparent effect on the Japanese market.

Domestic production for the fiscal year was up 0.5 percent to 4,028,149 units, while overseas output rose 83.5 percent to 607,662.

Buick marches in GM parade of rebates on '91s

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Buick has joined Oldsmobile, Chevrolet and Pontiac in offering consumer rebates or, in lieu of the cash, cut-rate financing on most of its 1991 models even before their official introduction Sept. 27. Dealers have permission to sell those vehicles as they receive them.

The rebates run through Sept. 26 and are based on the option package selected. The payments are $250 to $1,000 on the Skylark, Century and LeSabre; $500 to $1,250 on the Regal; and $1,000 on the Riviera.

In lieu of cash, Buick will offer through General Motors Acceptance Corp. finance rates of 3.9 percent, 5.9 percent, 7.9 percent and 10.9 percent for terms of 24, 36, 48 and 60 months on all 1991 models except the Regal sedan, Reatta, Park Avenue and Park Avenue Ultra.

On the 1991 Regal sedan and 1990 Century and Regal, the finance rates are 4.8 percent for loans of 24, 36 and 48 months and 10.9 percent for 60 months.

In dealer incentive programs, Volkswagen United States Inc. extended the $500 payback on the 1990 Golf through Dec. 31, and Volvo Cars of North America extended through Sept. 30 payments of $200 to $600 on 1989-90 models, based on the number sold. The VW and Volvo programs had been scheduled to expire Aug. 31.

Car output at 4 million, trails 1989

By Anne E. Wright
AUTOMOTIVE NEWS CHIEF STATISTICIAN

U.S. automakers produced their four-millionth car of the year last Tuesday. In 1989, the four-millionth auto was built July 21.

Year-to-date, U.S. car production is 4,082,839, 12.42 percent behind last year.

Last week U.S. automakers' scheduled output was 124,039, 17.67 percent above the previous week and 1.96 percent above the year ago week.

Year-to-date, U.S. truck production is 2,689,250, down 7.00 percent from last year at this time.

Truckmakers scheduled 75,664 units last week, 2.12 percent below the prior week's total and 8.13 percent above the same week in 1989.

Estimated car production was split last week as follows: General Motors, 43.15 percent; Ford Motor Co., 24.62 percent; Chrysler Corp., 14.03 percent; Honda of America Manufacturing Inc., 7.02 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.56 percent; Mazda Motor Manufacturing (USA) Corp., 2.85 percent; Diamond-Star Motors Corp., 2.59 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.20 percent; Subaru-Isuzu Automotive Inc., 0.60 percent and New United Motor Manufacturing Inc., 0.38 percent.

Ford has extended the downtime at its Dearborn, Mich., assembly plant an additional two weeks. The plant was idled the week of Aug. 13 and is not scheduled to resume production until Sept. 10.

The additional downtime is due to a parts shortage related to start-up on the revised 2.3-liter engine. About 2,100 hourly workers are employed at the facility, which builds about 3,700 Mustangs per week.

Chrysler idled the Grand Wagoneer line at its Toledo, Ohio, plant last week because of high inventories at dealerships.

NUMMI scheduled a rolling model changeover last week. Production of the 1991 models is expected to begin tomorrow. NUMMI builds the Geo Prizm and the Toyota Corolla.

Chrysler Corp. has scheduled daily overtime this week at four assembly plants: Belvidere, Ill.; Sterling Heights, Mich.; Toledo, Ohio; and St. Louis No. 2.

All U.S. car and truck facilities are closed today for Labor Day.

Canada cars ahead of 1989

Canadian automakers scheduled production of 22,094 cars last week, 4.49 percent above the prior week and 31.08 percent above the same week last year.

Year-to-date, Canadian automakers have produced 691,111 units, 6.99 percent above 1989.

Truckmakers' targeted production of 15,953 units rose 6.62 percent above the previous week, but dropped 17.91 percent below the year-ago week.

So far this year, 561,995 trucks have been produced, 11.39 percent below the total at this time last year.

U.S. CAR	Week Ended Sept. 1, 1990	Week Ended Sept. 2, 1989	Week Ended Aug. 25, 1990	Aug Est	Jan. 1 to Sept. 1, 1990	Jan. 1 to Sept. 2, 1989
Horizon	0	0	0	0	4,327	21,175
Sundance	2,300	1,791	2,395	10,295	55,491	70,620
Acclaim	3,000	2,805	3,626	12,473	69,773	84,498
Total Plymouth	**5,300**	**4,596**	**6,021**	**22,769**	**129,591**	**176,293**
LeBaron A	0	0	0	0	8,064	0
LeBaron J	1,400	2,764	1,416	6,117	34,203	69,702
LeBaron GTS	0	0	0	0	0	2,946
N. Yorker C-Class	600	603	571	2,558	27,258	61,511
Fifth Avenue	1,400	1,754	1,432	6,215	20,890	6,951
Imperial	100	0	9	182	12,685	0
Total Chrysler	**3,500**	**5,121**	**3,428**	**15,071**	**103,100**	**141,110**
Omni	0	0	0	0	4,078	22,229
Daytona	900	1,819	958	4,034	22,779	56,262
Shadow	2,400	1,982	2,413	10,681	63,057	67,664
Dynasty	2,700	1,481	2,825	11,961	76,137	92,354
Lancer	0	0	0	0	0	1,528
Spirit	2,600	2,023	3,069	10,803	63,863	68,703
Total Dodge	**8,600**	**7,305**	**9,265**	**37,479**	**229,914**	**308,740**
CHRYSLER MOTORS	**17,400**	**17,022**	**18,714**	**75,319**	**462,605**	**626,143**
Escort	6,627	8,473	5,450	28,438	149,129	217,764
Mustang	0	2,446	0	5,899	88,727	144,551
Tempo	3,199	2,959	0	11,419	89,999	100,875
Taurus	7,705	5,077	3,402	31,111	238,207	244,482
Thunderbird	3,354	0	0	7,847	78,466	104,099
Total Ford Div.	**20,885**	**18,955**	**8,852**	**84,713**	**644,528**	**811,771**
Topaz	1,069	1,382	0	3,783	34,363	47,453
Cougar	2,238	0	0	5,172	52,095	89,789
Sable	2,711	1,539	1,133	9,902	72,635	78,783
Total Mercury	**6,018**	**2,921**	**1,133**	**18,856**	**159,093**	**216,025**
Continental	1,031	384	1,096	5,788	40,501	43,745
Mark VII	181	128	252	1,625	14,848	14,105
Town Car	2,420	768	2,169	11,974	103,125	82,628
Total Lincoln	**3,632**	**1,280**	**3,519**	**19,387**	**158,474**	**140,478**
Total L-M Div.	**9,650**	**4,201**	**4,652**	**38,244**	**317,567**	**356,503**
FORD MOTOR CO.	**30,535**	**23,156**	**13,504**	**122,957**	**962,095**	**1,168,274**
Skyhawk	0	0	0	0	0	6,913
Skylark/Somerset	1,940	1,738	1,946	8,336	60,613	39,435
Century	784	2,940	0	784	42,714	87,781
Riviera	548	546	469	1,759	14,875	12,620
Electra/Park Ave.	3,002	2,387	2,188	8,30[illegible]	29,336	51,890
LeSabre (fwd)	3,476	3,196	3,368	11,741	108,465	101,892
LeSabre (rwd)	0	215	0	0	4,022	4,592
Reatta	0	195	0	0	5,277	3,645
Total Buick	**9,750**	**11,217**	**7,971**	**30,929**	**265,3[illegible]**	**308,768**
Eldorado	571	423	500	1,827	14,088	20,139
Seville	572	400	490	1,828	24,634	14,886
Brougham (rwd)	903	673	826	4,216	19,481	24,049
DeVille (fwd)	2,800	3,952	3,089	9,596	105,498	134,393
Allante	89	0	89	409	3,050	2,077
Total Cadillac	**4,935**	**5,448**	**4,994**	**17,876**	**166,751**	**195,544**
Cavalier	7,220	4,351	7,854	26,412	218,600	243,048
Camaro	2,208	1,597	2,321	9,136	48,597	68,127
Celebrity	0	0	0	0	0	70,349
Corsica/Beretta	6,160	8,392	6,340	24,297	191,758	256,314
Caprice	0	4,050	0	9,133	161,072	124,957
Corvette	380	513	313	693	15,338	17,181
Total Chevrolet	**15,968**	**18,903**	**16,828**	**69,672**	**635,365**	**779,976**
Calais	2,140	1,876	2,128	9,220	68,946	61,425
Cutlass Ciera	576	1,242	0	576	49,548	61,445
Cutlass Supreme	2,295	3,467	2,103	8,567	60,984	63,347
Toronado	344	111	298	1,106	10,615	5,082
88 (fwd)	2,201	1,415	2,103	7,795	69,934	92,381
88 (rwd)	0	109	0	0	1,214	5,475
98	208	1,487	39	289	33,073	49,254
Total Oldsmobile	**7,764**	**9,707**	**6,671**	**27,553**	**294,314**	**338,409**
Sunbird	4,000	2,352	4,022	17,845	105,011	96,668
Grand Am	4,800	4,925	4,856	21,457	139,532	162,675
Firebird	1,045	1,141	880	4,534	29,133	38,031
Grand Prix	2,993	3,684	2,309	5,633	78,298	84,516
Pontiac 6000	608	1,679	0	608	37,019	56,264
Bonneville	1,656	2,515	1,622	6,358	52,881	62,111
Safari/Parisienne	0	0	0	0	0	2,691
Total Pontiac	**15,102**	**16,296**	**13,689**	**56,435**	**441,874**	**502,956**
GENERAL MOTORS	**53,519**	**61,571**	**50,153**	**202,465**	**1,803,606**	**2,125,653**
DIAMOND-STAR	**3,211**	**2,276**	**3,345**	**14,238**	**88,405**	**44,671**
HONDA	**8,710**	**6,421**	**8,902**	**41,105**	**293,874**	**253,011**
Civic	1,871	3,608	2,020	9,203	77,891	86,781
Accord	6,839	2,813	6,882	31,902	215,983	166,230
MAZDA†	**3,539**	**3,998**	**4,313**	**16,989**	**117,189**	**136,950**
NISSAN	**1,485**	**2,724**	**1,180**	**3,713**	**54,810**	**79,505**
NUMMI	**475**	**1,145**	**142**	**11,544**	**135,250**	**137,915**
Corolla	225	434	69	5,939	68,105	55,934
Geo Prizm/Nova	250	711	73	5,605	67,145	81,981
SUBARU-ISUZU	**750**	**0**	**722**	**3,142**	**18,526**	**0**
TOYOTA	**4,415**	**3,340**	**4,442**	**20,324**	**146,479**	**89,695**
TOTAL CARS, U.S.	**124,039**	**121,653**	**105,417**	**511,796**	**4,082,839**	**4,661,817**
TOTAL CARS, CANADA	**22,094**	**16,855**	**21,144**	**76,230**	**691,111**	**645,948**
U.S., CANADA CARS	**146,133**	**138,508**	**126,561**	**588,025**	**4,773,950**	**5,307,765**
U.S., CANADA CARS AND TRUCKS	**237,750**	**227,916**	**218,827**	**961,725**	**7,987,624**	**8,833,559**

Monthly estimates may contain error of one or two units due to rounding.
†Total includes MX-6, 626, and Ford Probe
*Estimated

CANADIAN CAR	Week Ended Sept. 1, 1990	Week Ended Sept. 2, 1989	Week Ended Aug. 25, 1990	Aug Est	Jan. 1 to Sept. 1, 1990	Jan. 1 to Sept. 2, 1989
Monaco	0	0	0	1,244	6,891	0
Premier	0	0	79	2,001	7,477	25,966
CHRYSLER MOTORS	**0**	**0**	**79**	**3,244**	**14,368**	**25,966**
Tempo	3,152	3,119	2,852	10,114	80,811	88,064
Topaz	1,354	1,327	1,287	4,728	30,262	37,435
Crown Victoria	2,476	1,688	2,611	11,225	81,985	81,646
Grand Marquis	2,970	1,737	3,060	12,805	74,849	87,587
FORD MOTOR CO.	**9,952**	**7,871**	**9,810**	**38,873**	**267,907**	**294,732**
Celebrity	0	61	0	0	20,319	15,286
Cutlass Ciera	0	185	0	0	53,487	96,157
Lumina	6,652	4,360	4,625	12,140	144,360	94,267
Regal	1,220	2,387	2,572	4,460	61,642	48,633
GENERAL MOTORS	**7,872**	**6,993**	**7,197**	**16,600**	**279,808**	**254,343**
HONDA	**2,150**	**1,665**	**2,137**	**9,370**	**70,159**	**55,823**
HYUNDAI	**720**	**0**	**423**	**2,137**	**13,380**	**0**
TOYOTA	**1,300**	**146**	**1,318**	**5,726**	**39,956**	**9,897**
VOLVO	**100**	**180**	**180**	**280**	**5,533**	**5,187**
TOTAL CARS, CANADA	**22,094**	**16,855**	**21,144**	**76,230**	**691,111**	**645,948**

U.S. TRUCK	Week Ended Sept. 1, 1990	Week Ended Sept. 2, 1989	Week Ended Aug. 25, 1990	Aug Est	Jan. 1 to Sept. 1, 1990	Jan. 1 to Sept. 2, 1989
Caravan	0	1,785	0	0	67,046	70,051
Dakota	1,500	2,011	1,516	6,680	46,136	65,490
Caravan C/V	0	81	0	0	4,171	4,825
Ram pickups	2,300	2,009	2,404	10,106	68,453	65,618
Total Dodge	**3,800**	**5,886**	**3,920**	**16,786**	**185,806**	**205,984**
Cherokee	3,900	3,923	3,809	13,513	103,703	150,321
Comanche	300	465	330	1,031	5,272	20,011
Grand Wagoneer	0	0	325	902	4,672	7,514
Wagoneer	100	74	96	354	2,539	5,508
Total Jeep	**4,300**	**4,462**	**4,560**	**15,800**	**116,186**	**183,354**
Voyager	0	1,592	0	0	62,823	65,928
Town & Country	0	175	0	0	2,078	2,377
Total C-P Div.	**0**	**1,767**	**0**	**0**	**64,901**	**68,305**
CHRYSLER MOTORS	**8,100**	**12,115**	**8,480**	**32,586**	**366,893**	**457,643**
Aerostar	4,750	3,891	5,000	21,245	139,746	154,492
Bronco	988	1,191	1,005	4,560	35,294	52,774
Bronco II/Explorer	5,258	2,303	4,648	22,461	123,996	82,462
Econoline	4,192	4,126	4,198	19,214	132,561	157,941
Mediums/Heavies	1,151	1,266	1,161	5,462	37,047	42,324
Light trucks	9,541	10,296	10,321	46,602	309,826	364,687
Ranger	4,327	6,198	4,739	22,744	189,769	216,977
Total Ford Div.	**30,207**	**29,271**	**31,072**	**142,288**	**968,239**	**1,069,657**
FORD MOTOR CO.	**30,207**	**29,271**	**31,072**	**142,288**	**968,239**	**1,069,657**
Astro	2,910	3,066	3,044	13,244	86,245	111,884
Blazer	358	547	409	1,634	12,180	0
Lumina APV	458	0	0	458	59,011	19,587
Mediums/Heavies	364	355	458	1,904	6,726	7,829
P-Model	269	596	0	269	15,770	21,645
Pickups	8,059	7,853	7,193	28,103	273,198	278,396
S-10	3,350	0	4,657	16,417	157,472	179,651
S-10 Blazer	3,647	0	3,873	13,171	70,378	131,177
Sportsvan/Van	1,289	1,794	977	2,936	40,724	67,347
Suburban	1,508	1,460	1,475	6,641	48,035	54,584
Total Chevrolet	**22,212**	**15,671**	**22,086**	**84,778**	**769,739**	**868,381**
Jimmy	132	158	134	523	3,787	5,805
Mediums/Heavies	530	575	577	2,554	7,879	12,677
P-Model	20	41	0	20	2,083	3,032
Pickups	1,761	2,594	1,869	6,339	95,146	83,599
S-15/Sonoma	703	0	1,167	3,334	35,984	40,782
S-15 Jimmy	995	0	1,232	3,868	23,582	36,719
Safari	850	819	888	3,873	30,635	29,164
Suburban	834	644	789	3,464	24,164	21,554
Vandura/Rally Vans	487	635	386	1,126	15,255	19,294
Total GMC	**6,312**	**5,466**	**7,042**	**25,101**	**238,515**	**0**
Olds Silhouette	110	0	0	110	23,746	0
Pontiac Trans Sport	223	0	0	223	37,065	246,685
GENERAL MOTORS	**28,857**	**21,137**	**29,128**	**110,212**	**1,069,065**	**1,115,066**
NAVISTAR	**1,580**	**1,413**	**1,597**	**5,684**	**49,415**	**55,186**
NISSAN	**2,450**	**2,589**	**2,471**	**11,326**	**97,304**	**0**
SUBARU-ISUZU	**1,020**	**0**	**1,106**	**4,350**	**20,344**	**82,007**
AM GENERAL*	**450**	**450**	**450**	**2,070**	**15,390**	**15,390**
MISCELLANEOUS*	**3,000**	**3,000**	**3,000**	**13,800**	**102,600**	**96,600**
TOTAL TRUCKS, U.S.	**75,664**	**69,975**	**77,304**	**322,315**	**2,689,250**	**2,891,549**

CANADIAN TRUCK	Week Ended Sept. 1, 1990	Week Ended Sept. 2, 1989	Week Ended Aug. 25, 1990	Aug Est	Jan. 1 to Sept. 1, 1990	Jan. 1 to Sept. 2, 1989
Caravan	1,501	2,779	1,010	3,818	86,535	95,652
Caravan C/V	0	171	0	0	5,610	7,850
Ram Wagon	342	665	333	2,249	16,498	17,992
Ram Van	1,578	1,731	1,588	4,798	38,560	46,357
Total Dodge	**3,421**	**5,346**	**2,931**	**10,865**	**147,203**	**167,851**
Voyager	1,337	2,206	1,032	3,444	69,202	84,281
Total Plymouth	**1,337**	**2,206**	**1,032**	**3,444**	**69,202**	**84,281**
Wrangler	1,500	1,768	1,483	5,959	39,393	54,955
Total Jeep	**1,500**	**1,768**	**1,483**	**5,959**	**39,393**	**54,955**
CHRYSLER MOTORS	**6,258**	**9,320**	**5,446**	**20,268**	**255,798**	**307,087**
FORD MTR. (lt. trks.)	**2,950**	**3,194**	**3,186**	**13,482**	**95,418**	**106,535**
Light trucks	3,700	3,305	4,341	11,247	113,605	107,054
Vans	1,174	1,299	407	1,581	33,509	39,273
Total Chevrolet	**4,874**	**4,604**	**4,748**	**12,828**	**47,114**	**146,327**
Light trucks	1,180	1,657	1,230	3,457	43,189	47,122
Vans	466	406	129	595	13,904	19,345
Total GMC	**1,646**	**2,063**	**1,359**	**4,052**	**57,093**	**66,467**
GENERAL MOTORS	**6,520**	**6,667**	**6,107**	**16,880**	**204,207**	**0**
NAVISTAR	**225**	**252**	**223**	**754**	**6,572**	**7,829**
TOTAL TRKS. CANADA	**15,953**	**19,433**	**14,962**	**51,385**	**561,995**	**634,245**
U.S., CANADA TRKS.	**91,617**	**89,408**	**92,266**	**373,700**	**3,213,674**	**3,525,794**

*Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.